

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF MONT-LEE)	
DEVELOPING COMPANY, INC. FOR A)	
RATE ADJUSTMENT PURSUANT TO THE)	CASE NO.
ALTERNATIVE RATE FILING PROCEDURE)	90-212
FOR SMALL UTILITIES)	

O R D E R

On August 9, 1990, Mont-Lee Developing Company, Inc. ("Mont-Lee") filed an application with the Commission seeking to increase its rate for sewer service pursuant to the Alternative Rate Filing Procedure for Small Utilities. The proposed rate was designed to generate approximately \$9,438 annually in additional revenues, an increase of 23.1 percent over normalized test-year revenues of \$40,841.

In September of 1990, Commission Staff conducted a field review of Mont-Lee's test-year financial records. Based upon this review, Commission Staff issued its report on October 31, 1990, recommending that Mont-Lee be authorized to increase its annual revenue by \$2,987.

By letter dated November 2, 1990, the Commission advised Mont-Lee that comments on the Staff Report and/or a request for a public hearing must be filed no later than November 16, 1990, or this case would stand submitted to the Commission for decision. As of the date of this Order, no comments have been filed by Mont-Lee, nor has Mont-Lee requested a hearing.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that:

1. The recommendations and findings contained in the Staff Report are supported by the evidence of record, are reasonable, and are hereby adopted as the findings of the Commission in this proceeding and are incorporated by reference as if fully set out herein.

2. The rate in Appendix A, attached hereto and incorporated herein, is the fair, just, and reasonable rate for service provided by Mont-Lee and will produce annual revenues of \$43,828. This rate will allow Mont-Lee sufficient revenue to meet its operating expenses and provide for future equity growth.

3. The rate proposed by Mont-Lee would produce revenue increases which are unreasonable and thus inconsistent with KRS 278.030.

IT IS THEREFORE ORDERED that:


1. The rate proposed by Mont-Lee in its application is hereby denied.

2. The rate contained in Appendix A is approved for service rendered by Mont-Lee on and after the date of this Order.

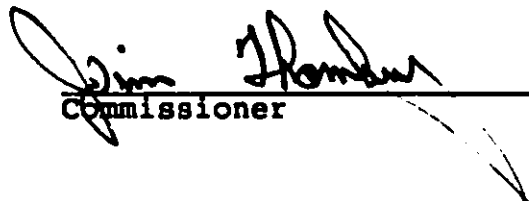
3. Within 30 days of the date of this Order, Mont-Lee shall file with the Commission its revised tariff setting out the rate approved herein.

Done at Frankfort, Kentucky, this 13th day of December, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 90-212 DATED 12/13/90

The following rates and charges are prescribed for sewer service to customers of Mont-Lee Developing Company, Inc. All other rates and charges not specifically set forth herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

<u>Residential</u>	<u>Rate</u>
Single Family	12.80